

# **EXHIBIT 10**

Young, Steven J.

May 13, 2009

Chicago, IL

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UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF MASSACHUSETTS

IN RE: PHARMACEUTICAL )  
INDUSTRY AVERAGE ) MDL No. 1456  
WHOLESALE PRICE LITIGATION ) Master File No.  
\_\_\_\_\_) 01-CV-12257-PBS  
THIS DOCUMENT RELATES TO: ) Subcategory No.  
\_\_\_\_\_) 06-CV-11337-PBS  
United States of America, )  
ex rel. Ven-A-Care of the )  
Florida Keys, Inc., v. )  
Abbott Laboratories, Inc., )  
CIVIL ACTION NO. )  
06-11337-PBS )

VOLUME I of II

The video taped deposition of STEVEN J.  
YOUNG, called by the United States for  
examination, pursuant to subpoena and pursuant to  
the Federal Rules of Civil Procedure for the

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1        were employed by Huron?

2            A.     There are economists that work for Huron,  
3        at least I believe there are still economists that  
4        work for Huron, that's correct.

5            Q.     And you're not a statistical expert;  
6        right?

7            A.     No.   I apply statistics, as most CPAs do  
8        in -- in the normal course of my work.

9            Q.     And although you disagree with the  
10       extrapolation that was performed in this case for  
11       various reasons, you didn't actually perform any  
12       quantitative analysis to evaluate the scope of the  
13       error you contend was caused thereby?

14           A.     I was asked to critique his analysis, and  
15       his analysis did not take it to the stage that  
16       there could be quantitative critiques made of --  
17       since he didn't, he chose to ignore all of the  
18       issues in his calculation, it was possible to do  
19       quantitative -- it was not possible for me to do  
20       quantitative calculations of the impact of those,  
21       no.

22           Q.     Well, when you say that the variability of

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1 the claims in the ten states is different than the  
2 variability of the claims in the 38 states, you're  
3 saying there's no way to quantify that variability  
4 and why it's too different to extrapolate?

5 A. The -- again, the normal approach in these  
6 situations would be to get the full claims data  
7 set, draw a statistically valid random sample,  
8 come up with a point estimate and a range within  
9 which that point estimate applied.

10 I did not have the claims data sets  
11 necessary to perform that approach or to analyze  
12 that claims data in relationship to the claims  
13 data that he looked at to do any type of  
14 quantification.

15 I wasn't asked to do that. The Myers &  
16 Stauffer summary combined with some of the  
17 information that was included on your list from  
18 yesterday demonstrates that there's not  
19 homogeneity between the populations, and I believe  
20 that that's adequate to reach the conclusion that  
21 he hasn't properly -- given the fact that he's  
22 deviated from the -- the normal way that I've ever

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1 seen this calculation done supports my conclusion.

2 Q. Yeah. Because Abbott only hired you to do  
3 the critique and not to actually quantify the  
4 scope of the error, you didn't actually do  
5 anything to quantify the scope of the error;  
6 right?

7 MR. TORBORG: Object to form.

8 THE WITNESS: I was not asked to do that,  
9 no.

10 BY MR. LAVINE:

11 Q. Okay. So what is the methodology that you  
12 say that Dr. Duggan failed to follow when he based  
13 his extrapolation on data related to ten states?

14 MR. TORBORG: Object to form.

15 THE WITNESS: Could you repeat that  
16 question?

17 BY MR. LAVINE:

18 Q. What -- what is the principle or standard  
19 that you say Dr. Duggan failed to meet when he  
20 based his extrapolation on a sample of ten states?

21 A. Based on my past experience in performing  
22 overcalculation and undercalculation -- or

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1      been involved in. So it's based on my past  
2      experience over the last 25 years.

3            Q. Am I right you're not necessarily saying  
4      that it lacks the precision you would require, but  
5      that that level of precision hasn't been  
6      demonstrated by Dr. Duggan?

7            A. Whether it lacks it or not, I can't tell  
8      until he's demonstrated it, which he has not.

9            Q. And you didn't go ahead and do that  
10     yourself because that wasn't part of what you were  
11     hired to do?

12          A. That's correct.

13          Q. And what is the objective standard that  
14     Dr. Duggan would need to meet to overcome your  
15     criticisms on this basis?

16          A. Again, my -- it would be conjecture on my  
17     part as to what that might be. My -- I've been  
18     asked to look at what Dr. Duggan has done and  
19     critique the approach he's taken and not design a  
20     new approach for him that would be acceptable, so  
21     I haven't been asked to do that.

22          Q. So you can't think of any particular

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UNITED STATES DISTRICT COURT

DISTRICT OF MASSACHUSETTS

IN RE: PHARMACEUTICAL ) MDL No. 1456  
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PRICE LITIGATION ) Sub No. 06-CV-11337-PBS  
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THIS DOCUMENT RELATES TO: ) VOLUME II  
\_\_\_\_\_  
United States of America, )  
ex rel. )  
Ven-A-Care of the Florida )  
Keys, Inc., v. Abbott )  
Laboratories, Inc., CIVIL )  
ACTION NO. 06-11337-PBS )

The continuation of the videotaped discovery deposition of STEVEN J. YOUNG, taken in the above-entitled cause, before DERALYN GORDON, a notary public of Cook County, Illinois, on the 14th day of May, 2009, at 77 West Wacker Drive, Suite 3500, Chicago, Illinois, beginning at approximately 9:19 a.m., pursuant to Notice.

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1 if you have a lot of high calculated reduction  
2 states applying to the rest of the population,  
3 you can have overstatements relating to that.  
4 Again, it's something that's showing that  
5 something needs to be investigated.

6 Q. All right. So now does that cover all  
7 of the points in your opinion related to Texas  
8 and Ohio that you were addressing?

9 A. Yes, sir.

10 Q. And am I correct we're in the same  
11 position as before, these were things where  
12 Dr. Duggan should have addressed these and  
13 explained why they were not material or if  
14 they were material somehow accounted for that  
15 and explained it?

16 A. Yes, that's my opinion.

17 Q. Okay. But you haven't taken the extra  
18 step of actually testing the magnitude or scope  
19 of what the impact might have been, right?

20 A. No, that was not included in the scope of  
21 my work.

22 Q. And you haven't identified any actual

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<sup>1</sup> populations. And, in fact, is a specific issue  
<sup>2</sup> that's cited by the OIG when they comment on the  
<sup>3</sup> homogeneity of reimbursement levels between states  
<sup>4</sup> in their 2004 analysis.

<sup>5</sup> So I did not specifically quantify it,  
<sup>6</sup> because, again, I believe it's an issue that  
<sup>7</sup> should have been addressed by Dr. Duggan, and  
<sup>8</sup> he didn't. And it's not my job to do his job.

<sup>9</sup> But I do believe that there's support out  
<sup>10</sup> there that it's a material issue that warrants  
<sup>11</sup> investigation.

<sup>12</sup> Q. But tell me how it is material. How would  
<sup>13</sup> it have changed the calculation to Dr. Duggan?

<sup>14</sup> A. Let me try to explain this. And I'll put  
<sup>15</sup> it within the context of the OIG report.

<sup>16</sup> The OIG report did an analysis of states  
<sup>17</sup> that on the surface appeared to have similar or  
<sup>18</sup> almost identical reimbursement structures --

<sup>19</sup> Q. Could I just interrupt and ask what about  
<sup>20</sup> your reporting are you talking about, the one that  
<sup>21</sup> you got for the first time yesterday?

<sup>22</sup> MR. TORBORG: Object to form.

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1           Q. You could have contacted them to asked  
2         them for information?

3           MR. TORBORG: Object to form.

4           A. Again, Dr. Duggan indicated that he was  
5         performing a calculation of the average selling  
6         price to retail customers. It was not my job to  
7         go out and identify information to assist him in  
8         that process.

9           My task by my client was to identify  
10        deficiencies in the process that he went through.  
11        So I did not go out and try to do the effort that  
12        you just described on behalf of Dr. Duggan or  
13        otherwise.

14        BY MR. LAVINE:

15        Q. And you never had any discussion, never  
16        evaluated the question of whether or not you  
17        should actually try to do a better job than you  
18        say Dr. Duggan did and actually come to a more  
19        precise figure?

20        A. My job was not to recalculate or  
21        attempt to fix Dr. Duggan's analysis. It was  
22        merely to critique Dr. Duggan's analysis. That

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1 any of these products, but apparently you expected  
2 Dr. Duggan should have done some type of  
3 comprehensive collection of data related to all  
4 of those sales to satisfy your critique?

5 MR. TORBORG: Objection, asked and  
6 answered, argumentative.

7 A. No. Dr. Duggan prepared a differences  
8 calculation. I believe this was necessary for a  
9 differences calculation.

10 I was not tasked with performing a  
11 differences calculation; therefore, I did not  
12 do that work.

13 BY MR. LAVINE:

14 Q. All right. So I think we're on the  
15 same page on the overall but-for reimbursement  
16 issue covered in Section 8, that you have  
17 identified issues that Dr. Duggan should have  
18 considered and/or addressed, but you haven't done  
19 the quantitative analysis yourself or identified  
20 any particular quantitative analysis that should  
21 have been done?

22 A. I've identified the areas that he should

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1 have considered, but it was not within the scope  
2 of my work to perform the calculation for him  
3 or to do the quantification that you referred to.

4 MR. LAVINE: Can we mark this as 015 and  
5 016.

6 (Deposition Exhibit Young 015  
7 and Deposition Exhibit Young 016  
8 marked for identification.)

9 BY MR. LAVINE:

10 Q. Does your opinion --

11 MR. TORBORG: Do you have copies of those?

12 MR. LAVINE: Oh, I'm sorry.

13 BY MR. LAVINE:

14 Q. Does your opinion refer to or rely upon  
15 any of the opinions of Judge Saris in the AWP  
16 litigation?

17 MR. TORBORG: Object to form. Which one  
18 is 015 and which one is 016? The shorter one is  
19 015.

20 A. The opinions that I reach I do not believe  
21 are dependent on Judge Saris' findings.

22 There is some information that I provide